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FAIRCHILD SEMICONDUCTOR INTERNATIONAL, INC.,
9 FAIRCHILD SEMICONDUCTOR CORPORATION AND
SYSTEM GENERAL CORPORATION
10

11 UNITED STATES DISTRICT COURT
12 NORTHERN DISTRICT OF CALIFORNIA
13 (SAN JOSE DIVISION)
14

15 POWER INTEGRATIONS, INC., a Delaware
corporation,

16 Plaintiff,

17 v.
18

19 FAIRCHILD SEMICONDUCTOR
INTERNATIONAL, INC., a Delaware
corporation, FAIRCHILD
20 SEMICONDUCTOR CORPORATION, a
Delaware Corporation, and SYSTEM
21 GENERAL CORPORATION, a Taiwanese
corporation,

22 Defendants.
23

Case No. C-09-5235 JW (PVT)

**DEFENDANTS FAIRCHILD
SEMICONDUCTOR
INTERNATIONAL, INC.,
FAIRCHILD SEMICONDUCTOR
CORPORATION AND SYSTEM
GENERAL CORPORATION'S
ANSWER TO PLAINTIFF'S
COUNTERCLAIMS ON REPLY**

JURY TRIAL DEMANDED

Defendants Fairchild Semiconductor International, Inc., Fairchild Semiconductor Corporation, and System General Corporation (collectively “Defendants”) answer the Declaratory Judgment Counterclaims of Plaintiff and Counterclaimant Power Integrations, Inc. (“Power Integrations”) as follows:

Defendants deny each and every allegation contained in the Declaratory Judgment Counterclaims of Power Integrations, except as hereinafter specifically admitted or explained. To the extent that the headings, or any other non-numbered statements in Power Integrations’ Complaint contain any allegations, Defendants deny each and every allegation therein.

THE PARTIES

1. Defendants admit the allegations of Paragraph 81 of Power Integrations’ Declaratory Judgment Counterclaims.

2. Defendants admit the allegations of Paragraph 82 of Power Integrations’ Declaratory Judgment Counterclaims.

3. Defendants admit the allegations of Paragraph 83 of Power Integrations’ Declaratory Judgment Counterclaims.

4. Defendants admit the allegations of Paragraph 84 of Power Integrations’ Declaratory Judgment Counterclaims.

JURISDICTION AND VENUE

5. In response to paragraph 85 of the Power Integrations’ Declaratory Counterclaims, Complaint, Defendants admit that the Counterclaims purport to bring an action under the Federal Declaratory Judgments Acts, 28 U.S.C. §§ 2201 and 2202, and the patent laws of the United States, Title 35 U.S.C. §271 *et seq.*, but Defendants expressly deny any liability thereunder. Defendants also admit that the Counterclaims purport to state a cause of action over which this Court has subject matter jurisdiction under 28 U.S.C. §§ 1331, 1338(a), 2201 and 2202.

6. In response to paragraph 86 of the Power Integrations’ Declaratory Judgment Counterclaims, Defendants do not dispute that this Court has personal jurisdiction over Defendants.

1 7. In response to paragraph 87 of the Power Integrations' Declaratory Judgment
2 Counterclaims, for the purpose of this action only, that venue is proper in this judicial district.

3 **GENERAL ALLEGATIONS**

4 8. Defendants admit the allegations of Paragraph 88 of Power Integrations'
5 Declaratory Judgment Counterclaims.

6 9. Defendants admit the allegations of Paragraph 89 of Power Integrations'
7 Declaratory Judgment Counterclaim.

8 10. Defendants admit the allegations of Paragraph 90 of Power Integrations'
9 Declaratory Judgment Counterclaim.

10 **ANSWER TO FIRST COUNTERCLAIM**
11 **DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF U.S. PATENT NO.**
12 **5.747,977**

13 11. Defendants reallege their answers as set forth in paragraphs 1-10 above as though
14 fully set forth in this paragraph.

15 12. Defendants deny the allegations of Paragraph 92 of Power Integrations'
16 Declaratory Judgment Counterclaims.

17 13. Defendants deny the allegations of Paragraph 93 of Power Integrations'
18 Declaratory Judgment Counterclaims.

19 **ANSWER TO SECOND COUNTERCLAIM**
20 **DECLARATORY JUDGMENT OF INVALIDITY OF U.S. PATENT NO. 5.747,977**

21 14. Defendants reallege their answers as set forth in paragraphs 1-10 above as though
22 fully set forth in this paragraph.

23 15. Defendants deny the allegations of Paragraph 95 of Power Integrations'
24 Declaratory Judgment Counterclaims. Additionally, the '977 patent shall be presumed valid
25 pursuant to 35 U.S.C. §282.

26 16. Defendants deny the allegations of Paragraph 96 of Power Integrations'
27 Declaratory Judgment Counterclaims. Additionally, the '977 patent shall be presumed valid
28 pursuant to 35 U.S.C. §282.

ANSWER TO THIRD COUNTERCLAIM
DECLARATORY JUDGMENT OF NON-INFRINGEMENT OF U.S. PATENT NO.
7,257,008

17. Defendants reallege their answers as set forth in paragraphs 1-10 above as though fully set forth in this paragraph.

18. Defendants deny the allegations of Paragraph 98 of Power Integrations' Declaratory Judgment Counterclaims.

19. Defendants deny the allegations of Paragraph 99 of Power Integrations' Declaratory Judgment Counterclaims.

ANSWER TO FOURTH COUNTERCLAIM
DECLARATORY JUDGMENT OF INVALIDITY OF U.S. PATENT NO. 7,257,008

20. Defendants reallege their answers as set forth in paragraphs 1-10 above as though fully set forth in this paragraph.

21. Defendants deny the allegations of Paragraph 101 of Power Integrations' Declaratory Judgment Counterclaims. Additionally, the '008 patent shall be presumed valid pursuant to 35 U.S.C. §282.

21.1 Defendants admit that Balu Balakrishnan is identified as the inventor on the face of U.S. patent No. 5,285,369, and that the U.S. patent No. 5,285,369 states that it was filed on September 1, 1992. Defendants admit Power Integrations was sued in China for infringing Chinese patent ZL 200510054730.0. Defendants deny all other allegations of Paragraph 101.1.

21.2 Defendants deny the allegations of Paragraph 101.2 of Power Integrations' Declaratory Judgment Counterclaims.

22. Defendants deny the allegations of Paragraph 102 of Power Integrations' Declaratory Judgment Counterclaims. Additionally, the '008 patent shall be presumed valid pursuant to 35 U.S.C. §282.

PRAYER FOR RELIEF

WHEREFORE, Defendants request the following relief with regard to its Answer and Declaratory Judgment Counterclaims:

CERTIFICATE OF SERVICE

I hereby certify that on this date I electronically filed **DEFENDANTS FAIRCHILD SEMICONDUCTOR INTERNATIONAL, INC., FAIRCHILD SEMICONDUCTOR CORPORATION AND SYSTEM GENERAL CORPORATION'S ANSWER TO PLAINTIFF'S COUNTERCLAIMS ON REPLY** with the clerk of court for the United States District Court, Northern District of California, using the electronic case filing system of the court. The electronic case filing system sent a "Notice of Electronic Filing" to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means.

Dated: June 25, 2010

/s/ Josette Romero

Josette Romero